



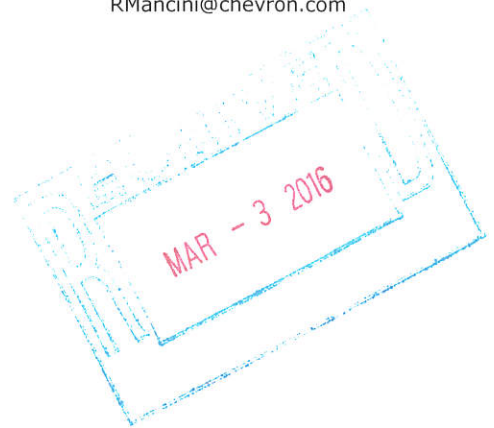
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March 2, 2016

**VIA ELECTRONIC MAIL AND FEDERAL EXPRESS**

Anne Pavelka, PG, CHMM  
Case Manager  
Bureau of Case Management  
New Jersey Department of Environmental Protection  
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P.O. Box 420  
Trenton, New Jersey 08625 - 1455



**Re: Southern Parcel of the North Field Extension Ecological Evaluation  
Chevron USA, Inc.  
Perth Amboy, Middlesex County, New Jersey  
SRP PI# 003621  
RPC000005**

Dear Ms. Pavelka:

I am responding to your February 2, 2016 letter. In your letter, you request that Chevron retain an LSRP and perform an ecological evaluation pursuant to N.J.A.C. 7:26C and 7:26E with Traditional Oversight by the Department.

The Department's letter appears to be based on certain reasonably assumed facts which are not accurate. The Department's letter identifies the site as NJDEP SRP PI# 003621 and RPC00005. The NJDEP SRP Case Oversight Report identifies these case numbers as the Chevron Perth Amboy HSWA Permit site. Pursuant to the HSWA Permit, Chevron has been working with EPA and NJDEP to investigate and remediate solid waste management units ("SWMUs") and/or areas of concern ("AOCs") at the former Perth Amboy Refinery since the permit's original 1994 issuance date. Chevron worked with EPA and NJDEP to identify SWMUs and AOCs through the RCRA Facility Assessment ("RFA") and RCRA Facility Investigation ("RFI") process under the HSWA permit. Consistent with the fact that the Southern Parcel has never been developed and no business operations have been conducted on it, none of Chevron, EPA or NJDEP identified any SWMUs or AOCs in the Southern Parcel of the North Field Extension ("NFE") under Chevron's HSWA permit.

The RFA and RFI did identify SWMUs and AOCs on the Northern Parcels of the NFE (the "Northern Parcels SWMUs and AOCs"). The HSWA permit previously required corrective action at these SWMUs and AOCs. These SWMUs and AOCs were caused by parties other than Chevron. Chevron purchased the NFE in 1958 as a buffer

and for potential future uses, but in fact Chevron never used or conducted operations at the NFE. In 1997, Chevron sued these other parties (the "Other Parties") for causing the contamination found in the Northern Parcels SWMUs and AOCs. Chevron and the Other Parties settled this litigation, with the Other Parties agreeing to take title to the Northern Parcels of the NFE and remediate the Northern Parcels SWMUs and AOCs. The Other Parties took title to the Northern Parcels in September, 2013 via an entity named NFE, LLC, at which time EPA removed the Northern Parcels SWMUs and AOCs from Chevron's HSWA permit.

In anticipation of settling the litigation discussed above, the Other Parties originally considered taking title to the entire NFE. As part of their due diligence investigation, the Other Parties authorized Roux Associates, Inc. to prepare a Remedial Investigation Report (Roux 2005 RI Report) for the entire NFE and submitted it to EPA and the Department for the purpose of soliciting feedback. No commitment was made to remediate the NFE. The RIR took note of the Northern Parcels SWMUs and AOCs and did not identify any source areas or significant contamination on the Southern Parcel.

Later, the settlement was modified such that the Other Parties took title only to the Northern Parcels, at which time they committed to remediate that part of the NFE. In particular, EPA removed the Northern Parcels SWMUs and AOCs at the NFE from Chevron's HSWA permit once the Other Parties entered into a binding Administrative Order on Consent (the "Order") requiring them to remediate these areas on the Northern Parcels. At the same time, as noted above, EPA removed the Northern Parcels SWMUs and AOCs from Chevron's HSWA permit. In recognition of the diffuse, low-level, impacts from off-site at the Southern Parcel, EPA has never required any remedial activities at that parcel, and there have been no remedial activities related to the Southern Parcel.

Pursuant to N.J.A.C. 7:26E an ecological receptor evaluation is conducted if appropriate as part of ongoing remediation related to a discharge. There are no remediation activities with regard to the Southern Parcel. Further, absent specific Chevron-related sources on the Southern Parcel (i.e. discharges, AOCs) there is no basis to require Chevron to conduct an ecological evaluation of the Southern Parcel. Chevron is not the source of any such discharges.

Additionally, Chevron would not be responsible for conducting an ecological evaluation of the Southern Parcel pursuant to N.J.A.C. 7:26C-2.2 as the NFE is not considered part of the Former Perth Amboy Refinery under the New Jersey Industrial Site Recovery Act ("ISRA"). On January 7, 2003, Chevron requested a Determination of Non-Applicability under ISRA from the NJDEP for the NFE. Chevron's request identified the fact that the NFE is a separate property unrelated and not contiguous to the former Perth Amboy Refinery under ISRA and that Chevron did not use the NFE for



its operations since it was purchased in 1958. The NJDEP reviewed this request and issued a Letter of Non-Applicability ("LNA") to Chevron on February 27, 2003.

In addition, in 2005, the Other Parties prepared and submitted to the United States Environmental Protection Agency ("EPA") and NJDEP an ecological evaluation for the entire NFE, which was presented as part of the Roux 2005 RI Report. The evaluation contained in the Roux 2005 RI Report contains a detailed assessment of the estuarine sediments and wetlands within the NFE, including in the Southern Parcel, and it includes the results of surface water, groundwater, soils and sediment sampling as well as field surveys of the wetland vegetation within the Southern Parcel. The Roux 2005 RI Report found that the "NFE supports a healthy wetland community". Section 11.3 of the Roux 2005 RI Report further concluded that the "low-level concentrations of metals and PAHs have been shown to be derived from off-site sources".

In summary, (1) Chevron's HSWA permit does not require remedial work at the Southern Parcel and (2) Chevron is not undertaking remedial action, is not the source of any low-level impacts, at the Southern Parcel, and therefore is not obligated to perform an ecological evaluation as requested by the Department's February 2, 2016 letter.

Thank you for your consideration. Should it be necessary, we are prepared to meet with you to discuss this matter further.

Sincerely,

A handwritten signature in cursive script that reads "Robert Mancini". To the right of the signature, the date "3/2/16" is handwritten.

Robert Mancini

cc: Sin-Kie Tjho  
Nancy Hamill  
John Boyer  
Robert Lavorerio  
Neil Fletcher, Esq.  
Kenneth B. Siet